



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

450 N Street
Sacramento
California 95814

BILL LEONARD
Member, BOE
Second District

JAMES E. SPEED
Executive Director

FOR IMMEDIATE RELEASE

NR# 23-L
Date: April 4, 2003
Contact: Sherilyn Larsen
Customer and Taxpayer Services Division
(916) 445-3192
Website: <http://www.boe.ca.gov>

2002 SECOND QUARTER—TAXABLE SALES

Bill Leonard, Member, State Board of Equalization, announced today that growth in taxable sales in California declined during the second quarter of 2002, posting the fourth consecutive decline in quarterly growth. Transactions subject to the sales and use tax totaled \$111.0 billion during the second quarter of 2002, a decrease of \$1.3 billion, or 1.2 percent, from the second quarter of 2001.

In constant dollar terms, taxable sales increased slightly by 0.5 percent over the same quarter a year ago. The California Taxable Sales Deflator measured a deflation rate of 1.7 percent for the second quarter of 2002.

Retail stores posted taxable sales of \$75.2 billion, a 1.8 percent increase over the same period a year ago. Retailers of durable goods experienced a 3.2 percent increase, while non-durable goods' retailers showed a 0.4 percent increase.

In the durable goods category, new car dealers posted taxable sales of \$13.4 billion during the second quarter, a 7.8 percent increase over the same period a year ago. Construction contractors declined over the same period last year with taxable transactions of \$4.4 billion, a decrease of 7.6 percent. However, retailers of building materials registered continuing growth in sales. Building material dealers posted taxable sales of \$6.8 billion, up 5.0 percent from a year earlier.

Gasoline consumption increased slightly and measured 3.9 billion gallons. Additionally, the average price of gasoline during the second quarter was \$1.519, a 16.3 percent decline from the previous year's price, which accounted for total sales of \$6.3 billion or a 10.3 percent decline in sales for service stations.

While retail stores' sales experienced some growth during the second quarter 2002, taxable transactions for business and personal service establishments amounted to \$5.5 billion, a decline of 3.1 percent over the same period a year ago. Additionally, all other outlets, comprised primarily of manufacturing and wholesale businesses, saw their taxable transactions decline 7.6 percent on \$30.3 billion.

(Second Quarter 2002 lists of Statewide Taxable Sales [by Type of Business](#), Taxable Sales [by County](#), and Taxable Sales [by City](#) accompany this news release.)

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